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11 Attorneys for USACM Liquidating Trust

12 **UNITED STATES BANKRUPTCY COURT**
 13 **DISTRICT OF NEVADA**

14 In re:

15 USA COMMERCIAL MORTGAGE
 16 COMPANY,

17 USA CAPITAL REALTY ADVISORS,
 18 LLC,

19 USA CAPITAL DIVERSIFIED TRUST
 20 DEED FUND, LLC,

21 USA CAPITAL FIRST TRUST DEED
 22 FUND, LLC,¹

23 USA SECURITIES, LLC,² Debtors.
 24

25 **Affects:**

- 26 All Debtors
- USA Commercial Mortgage Company
- USA Capital Realty Advisors, LLC
- USA Capital Diversified Trust Deed Fund, LLC
- USA Capital First Trust Deed Fund, LLC
- USA Securities, LLC

27 Case No. BK-S-06-10725-LBR
 28 Case No. BK-S-06-10726-LBR
 29 Case No. BK-S-06-10727-LBR
 30 Case No. BK-S-06-10728-LBR¹
 31 Case No. BK-S-06-10729-LBR²

32 **CHAPTER 11**

33 Jointly Administered Under Case No.
 34 BK-S-06-10725 LBR

35 **DECLARATION OF EDWARD M.
 36 BURR IN SUPPORT OF OMNIBUS
 37 OBJECTIONS TO PROOFS OF
 38 CLAIM BASED UPON
 39 INVESTMENT IN LCG GILROY,
 40 LLC LOAN; AND CERTIFICATE
 41 OF SERVICE**

42 Date of Hearing: March 25, 2008
 43 Time of Hearing: 9:30 a.m.

44 I, Edward M. Burr, hereby declare under penalty of perjury that:

45 1. I am a principal with Sierra Consulting Group, LLC ("Sierra"). Sierra is one
 46 of the leading providers of restructuring advisory and litigation support services in the

47 ¹ This bankruptcy case was closed on October 12, 2007.

48 ² This bankruptcy case was closed on December 26, 2007.



1 Southwest. Sierra is a leading national consulting firm comprised of experienced CPAs
2 and other financial professionals.

3 2. I submit this declaration on behalf of the USACM Liquidating Trust's
4 Objections to Proofs of Claim filed this date.

5 3. This Court approved the Official Committee of Unsecured Creditors of USA
6 Commercial Mortgage Company's ("Committee") appointment of Sierra as financial
7 advisers on August 11, 2006. From that date to the Effective Date of the Debtors'
8 confirmed Plan of Reorganization, I have assisted the Committee in analyzing facts
9 concerning these jointly administered bankruptcy cases. As of the Effective Date of the
10 confirmed Plan of Reorganization, Sierra has been retained by the USACM Liquidating
11 Trust to investigate and reconcile the claims against the USA Commercial Mortgage
12 Company ("USACM") estate.

13 4. I make the following declaration based upon my personal knowledge, and
14 upon the records of the Debtors described in this declaration, including Debtors' original
15 and amended schedules of liabilities and the proofs of claim described herein, as well as
16 Debtors' accounting records.

17 5. On March 12, 2007 Effective Date of the Plan, the USACM Liquidating
18 Trust succeeded to USACM's rights with respect to books and records.

19 6. Sierra has been working closely with both the Trustee for the USACM
20 Liquidating Trust and Development Specialist Inc. ("DSI"), the Trustee's financial
21 advisor, in evaluating all of the claims that were filed in the USACM estate.

22 7. **Exhibit A**, attached, lists Proofs of Claim that appear to be based, in whole
23 or in part, upon an investment in the LCG Gilroy, LLC Loan ("Gilroy Loan"). For each
24 claim listed, **Exhibit A** identifies the Proof of Claim number, the claimant, the claimant's
25 address, the total amount of the claim and the total amount of the claim that appears to be
26 related to the Gilroy Loan based upon the information provided by the claimant.



1 8. We are advised by the loan servicer, confirmed by payment records, that on
2 or about June 30, 2006, the Gilroy Loan was paid in full, as reflected in USACM's books
3 and records. Shortly thereafter, USACM processed the payoff and distributed the
4 proceeds to the Direct Lenders on the Gilroy Loan.

5 9. The Direct Lenders were paid in full, subject to servicing fees and any other
6 charges under their respective Loan Servicing Agreements and this Court's orders,
7 including the Confirmation Order. In general, the Direct Lenders received their principal
8 and interest on the Gilroy Loan, less sums withheld for Prepaid Interest and sums known
9 as the 2% Holdback. On the Effective Date of the Plan, the Prepaid Interest was applied, a
10 portion of the 2% Holdback was applied to the allowed claims of the Direct Lender
11 Committee, and the balance paid to the Direct Lenders.

12 10. Accordingly, the USACM Trust no longer has further obligations to the
13 Direct Lenders arising out of the Gilroy Loan because, pursuant to USACM's books and
14 records, the Gilroy Loan has been repaid in full, and the Direct Lenders have received
15 such payment as they were entitled to under the confirmed plan of reorganization.

16 Dated: February 15, 2008

17 18 19 /s/ Edward M. Burr

20 21 22 23 24 25 26 Edward M. Burr



1 Copy of the foregoing mailed by first class
2 Postage prepaid U.S. Mail on
2 February 15, 2008 to:

3 All parties in interest listed on
4 Exhibit A attached.

5 s/ Renee L. Creswell
6 Renee L. Creswell

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